

REAL ESTATE APPRAISAL BOARD

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 10:30 a.m. on Tuesday, December 18, 2012, at Jayhawk Tower, 700 SW Jackson, Suite 1102, Topeka, KS 66603, to consider the adoption of K.A.R. 117-20-3 and 117-20-7.

This 60-day notice of public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed regulations. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Appraisal Board, Jayhawk Tower, 700 SW Jackson, Ste. 1102, Topeka, KS 66603 or via e-mail to cheryl.magathan@kreab.ks.gov. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting Sally Pritchett at (785) 296-6736 or cheryl.magathan@kreab.state.ks.us.

The proposed regulations are for adoption on a permanent basis. A summary of the proposed regulations and the economic impact follows:

117-20-3. Registration Renewal. This regulation establishes the process of renewal of registration for AMCs.

At this time, we are unsure what costs this new program will represent for the agency as it is unknown what additional work this will mean for KREAB staff. It is estimated that approximately 75

companies will register in Kansas. The renewal fee has been established at \$1,500 per company, making the annual revenue for the agency \$112,500. There will be no economic impact to the public.

117-20-7. Certification of Annual Review. This regulation establishes the number of appraisals subject to annual review for each appraiser on the panel of an AMC.

As this cost will be dependent on the number of appraisals performed each year in Kansas, we are unable to estimate the cost to the AMC. As it is unknown if audits of the AMCs will be necessary to insure compliance with this regulation, we are unsure if there will be an economic impact to this agency. There will be no economic impact to other governmental agencies or units, or to the public.

Copies of this regulation and the economic impact statement may be obtained by contacting the Kansas Real Estate Appraisal Board by:

(785) 296-6736(phone)

(785) 368-6443 (fax)

cheryl.magathan@kreab.state.ks.us (e-mail)

<http://www.kansas.gov/kreab> (website)

Sally Pritchett
Executive Director

October 8, 2012

117-20-3. Registration renewal. To renew an AMC's registration, the controlling person of the AMC with a current, valid registration shall submit an application for renewal on forms provided by the board and pay the fees specified in K.A.R. 117-20-4. (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, secs. 6, 9, and 10; effective, T-117-7-3-12, July 3, 2012; effective P-_____.)

117-20-7. Certification of annual review. The controlling person of each AMC applying for an initial registration or registration renewal shall certify that the AMC performed an appraisal review on at least five percent of all appraisal reports submitted by appraisers performing real estate appraisal services for the AMC within Kansas on an annual basis. (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, sec. 12; effective, T-117-7-3-12, July 3, 2012; effective P-_____.)

ECONOMIC IMPACT STATEMENT

Pursuant to the requirement for K.S.A. 2011 Supp. 77-416(b), the Kansas Real Estate Appraisal Board submits the following Economic Impact Statement relating to the adoption of 2 proposed new rules and regulations pertaining to appraisal management company registration.

ARTICLE 20 – APPRAISAL MANAGEMENT COMPANY REGISTRATION

117-20-3 REGISTRATION RENEWAL

1. DESCRIPTION

This regulation establishes the process of renewal of registration for Appraisal Management Companies.

2. FEDERAL MANDATE

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 currently require that state appraiser regulatory agencies begin registering Appraisal Management Companies. While the required by date is in question, approximately 30 states have a program in place or are, as in Kansas, in the process of establishing one.

3. DESCRIPTION OF COSTS

At this time, we are unsure what costs this new program will represent for the agency as it is unknown what additional work this will mean for KREAB staff.

It is estimated that approximately 75 companies will register in Kansas. The renewal fee has been established at \$1,500 per company, making the annual revenue for the agency \$112,500.

4. OTHER METHODS CONSIDERED

No other methods were considered.

117-20-7. CERTIFICATION OF ANNUAL REVIEW

1. DESCRIPTION

This regulation establishes the number of appraisals subject to annual review for each appraiser on the panel of an Appraisal Management Company.

2. FEDERAL MANDATE

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 currently require that state appraiser regulatory agencies begin registering Appraisal Management Companies. While the required by date is in question, approximately 30 states have a program in place or are, as in Kansas, in the process of establishing one.

3. DESCRIPTION OF COSTS

As this cost will be dependent on the number of appraisers on the panel of the Appraisal Management Company and on the number of appraisals performed in Kansas, we are unable to estimate the cost to the AMC.

4. OTHER METHODS CONSIDERED

No other methods were considered.